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Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

February 25, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00036
Jessamine-South Elkhorn Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 25, 2008.

Executive Director

BOD/rs
Enclosure



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF JESSAMINE-SOUTH ELKHORN)	
WATER DISTRICT FOR APPROVAL OF)	
FEDERALLY FUNDED SANITARY SEWER)	
PROJECT FOR NORTH JESSAMINE COUNTY)	CASE NO.
PURSUANT TO KRS 278.023 AND 807 KAR 5:069)	2008-00036
AND FOR APPROVAL OF INITIAL RATES IN)	
CONJUNCTION THEREWITH)	

O R D E R

On January 28, 2008, Jessamine-South Elkhorn Water District ("Jessamine-South Elkhorn") applied for a Certificate of Public Convenience and Necessity to construct a \$6,064,000 sanitary sewer project and for authority to assess initial rates for sewer service. This project will serve approximately 600 new and 25 existing sewer users and will consist of the installation of approximately 40,000 linear feet of gravity sewers, 12,400 linear feet of sewer force main, two pump stations, and related appurtenances. Project funding consists of a Rural Utilities Service ("RUS") loan not to exceed \$1,272,000; an RUS grant not to exceed \$941,300; a Department of Housing and Urban Development Community Development Block Grant of \$1,000,000; and an Environmental Protection Agency grant of \$2,850,700.

Jessamine-South Elkhorn's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in the case on January

28, 2008, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Jessamine-South Elkhorn is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Jessamine-South Elkhorn shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

3. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for sewer service rendered on and after the date of this Order.

4. Jessamine-South Elkhorn shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, the utility may use such surplus to construct additional plant facility if Rural Development approves of the use and the additional construction will not result in a change in the utility's rates for service. The utility shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. Jessamine-South Elkhorn shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

7. Three years from the effective date of this Order, Jessamine-South Elkhorn shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

8. Within 20 days of the date of this Order, Jessamine-South Elkhorn shall file with the Commission revised tariff sheets showing the rates approved herein.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky this 25th day of February, 2008.

By the Commission

ATTEST:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and horizontal strokes, covering the text 'Executive Director'.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00036 DATED FEBRUARY 25, 2008

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Sewer Rates

First	2,000 Gallons	\$ 20.00 Minimum Bill
All Over	2,000 Gallons	10.00 per 1,000 Gallons